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Before the
Federal Communications Commission
Washington, D.C. 20554

SEP 15 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matters of)
)
Implementation of the)
Telecommunications Act of 1996:) CC Docket No. 96-193
)
Reform of Filing Requirements)
and Carrier Classifications)
)

ERRATA

Southwestern Bell Telephone Company, Pacific Bell and Nevada Bell (the "SBC Telcos") hereby submit this errata to the Petition for Reconsideration filed on August 25, 1997 in the above-captioned proceeding. By this errata, the SBC Telcos provide two (2) pages (page 8 and the first page of Exhibit "A") which were inadvertently omitted from the document filed with the Commission. The SBC Telcos respectfully request that their Petition for Reconsideration be amended to reflect the addition of these two missing pages.

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Respectfully Submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

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ATTORNEYS FOR PACIFIC BELL AND
NEVADA BELL

September 15, 1997

The Commission should clarify Paragraph 21 of the Report and Order so that LECs may have the flexibility of submitting their annual CAM filings before December 31.

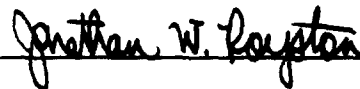
III. CONCLUSION.

For the reasons discussed above, the Commission should reconsider these two aspects of the Report and Order.

Respectfully Submitted,

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ATTORNEYS FOR PACIFIC BELL AND
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August 25, 1997

Federal Communications Commission

DA 91-1570

Sincerely,

Before the
Federal Communications Commission
Washington, D.C. 20554

RAO LETTER 19

Released: December 23, 1991

Responsible Accounting Officer

Re: CC Docket No. 86-111 Cost Allocation Manual -
Format and Filing Procedures

In the *Joint Cost Order*,¹ the Commission required certain telephone companies to file manuals containing the methods they use to separate the costs of providing regulated telephone service from the costs of nonregulated activities. These manuals must include: (a) a description of each of the company's nonregulated activities; (b) a list of all incidental activities and the justification for treating each as incidental; (c) a chart showing all of its corporate affiliates; (d) a statement which identifies affiliates that engage in or will engage in transactions with the carrier entity and which describes the nature, terms, and frequency of such transactions; and (e) for each USOA account and subaccount, detailed specifications of the cost categories to which amounts in the account or subaccount will be assigned and the basis on which each cost category will be apportioned.² In accordance with the *Joint Cost Order*, the local exchange carriers and the American Telephone and Telegraph Company filed cost allocation manuals (CAMs) containing the required information. However, the Order provided no format specifications, and therefore, the presentation of information in the CAMs differed widely. After a thorough review of the CAMs and of the numerous revisions made since their initial filing, we have determined that a uniform format and filing procedure would greatly improve the CAM review process. We also have determined that adding a matrix in the nonregulated activities section would enhance our regulatory review. In addition, we have found that a more detailed transmittal letter explaining the revisions would be helpful. The purpose of this letter is to establish the uniform format of the CAM and the standard procedure for filing revisions. These are included in the Appendix to this letter. This letter is issued pursuant to authority delegated under Section 0.291 of the Commission's Rules, 47 C.F.R. §0.291. Applications for review under Section 1.115 of the Commission's Rules, 47 C.F.R. §1.115 must be filed within 30 days of the date of this letter. See 47 C.F.R. §1.4(b)(2).

If you have any questions, please contact Alicia Dunnigan at (202) 634-1861.

Kenneth P. Moran
Chief, Accounting and Audits Division
Common Carrier Bureau

APPENDIX

A. Format of Cost Allocation Manual

1. Each Cost Allocation Manual (CAM) must contain seven sections as set forth below. Each section must be separated by a divider. Each section must contain a glossary of terms in the instances where the carrier uses technical terms or acronyms not readily understood. Any additional information a carrier deems necessary to the understanding of its manual must be included in the appropriate section of the CAM.

Table of Contents

- I. Introduction
- II. Nonregulated Activities
- III. Incidental Activities
- IV. Chart of Affiliates
- V. Transactions With Affiliates
- VI. Cost Apportionment Tables
- VII. Time Reporting Procedures

2. Each page of the CAM must contain the company name, a page number indicating the section number in Roman numerals and the Arabic page number (e.g., V-3) and the date the page was filed with the Commission. This information must be placed at the bottom of the page.

3. Section II, Nonregulated Activities, must contain a matrix which shows each nonregulated product and the accounts associated with that nonregulated product.

4. Section V, Transactions With Affiliates, must be arranged by affiliate and not by type of transaction provided. The transactions must be grouped into two categories:

- a. Transactions from the telephone company to its affiliates.
- b. Transactions from the affiliates to the telephone company.

This section must also contain a matrix which shows each type of affiliate transaction and the affiliates involved.

5. Section VI, Cost Apportionment Tables, must have a comments column on each page for explanatory information on apportionment procedures. This must be the last column on the page.

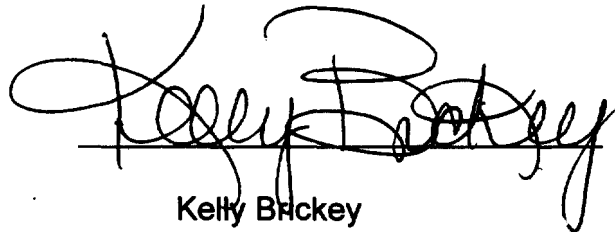
¹ Separation of Costs of Regulated Telephone Service from Costs of Nonregulated Activities, 2 FCC Rcd 1298 (*Joint Cost Order*), recon., 2 FCC Rcd 6283 (1987), further recon., 3 FCC

Rcd 6701 (1988), *aff'd sub nom.* Southwestern Bell Corp. v. FCC, 846 F.2d 1378 (D.C. Cir. 1990).

² *Id.* at 1328.

CERTIFICATE OF SERVICE

I, Kelly Brickey, hereby certify that the foregoing "Errata in CC Docket No. 96-193, of Southwestern Bell Telephone Company, Pacific Bell and Nevada Bell", have been served on September 15, 1997, to the Parties of Record.



Kelly Brickey

September 15, 1997

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